Grantee Financial Instructions

Each HUD grantee must use the Line of Credit Control System Voice Response System (LOCCS-VRS) to receive grant funds. This document describes how LOCCS-VRS works and gives you information about how to use the system.

A touch-tone telephone system is required to operate LOCCS-VRS equipment. The information is transmitted to the system through the touch-tone keypad. If you do not have touch-tone service through your local telephone company, purchase a telephone set that has a touch-tone keypad and a tone/pulse switch. These phones simulate the pulse dialing of the rotary service.

LOCCS-VRS Operating Instructions

When a project is approved for funding, a line of credit with HUD is established for the grantee to be paid through the Federal Reserve to the grantee's financial institution.

With the Grant Agreement, you will receive the Direct Deposit Sign-Up Form (SF 1199A). The form identifies your financial institution and bank account and, once completed, authorizes the transfer of HUD funds to your account. HUD will complete Section 2 before it is sent to you. After you have completed Section 1 and your financial institution has completed Section 3, send the form AND A BLANK CHECK marked CANCELED or VOID to the United States Department of Housing and Urban Development, Office of the Chief Financial Officer, CFO National Accounting Center, P.O. Box 901013, Fort Worth, TX 76101. Full instructions on the completion of this form are included in Exhibit 1 of these instructions.

Renewal grantees will use the existing banking information provided in the original SF-1199A, unless they choose to designate a different banking institution to receive the grant funds.

At the same time you receive the Direct Deposit form, you will also receive the Voice Response Security Access Authorization Form (HUD-27054). This form is used to designate the persons that will request funds from HUD through LOCCS-VRS. It is recommended that you designate this authority to at least two persons so that, in the absence of one, the other can request funds. Instructions for the completion of this form are included in Exhibit 2 of these instructions. **You may make copies of this form for future use, or you may download the form and instructions from the HUD home page located at http://www.hud.gov. Select the option *handbooks and forms HUD –2.***

Renewal grantees may continue to use their current User ID and Password and are not required to complete another HUD 27054 form.

Once the security form is received, HUD will issue each authorized individual a USERID. The USERID will be issued by certified mail, return receipt requested, usually within 10 days of the request. Each USERID will be contained in a separate envelope clearly indicating the contents are "for grantee's eyes only." No other staff, including HUD staff, should have access to the

USERID, and it must be safeguarded at all times. A breach in the security system by any staff member will result in an immediate termination of the USERID. If you notice that your certified envelope has been opened prior to receipt, you should notify the LOCCS-VRS Security officer at 202-708-0764 or toll free at 1-877-705-7504. The revised Form HUD-27054 must indicate in Box 1 that the user's access should be terminated. New User IDs may be requested by submitting a Form HUD-27054 with the appropriate notarized approval signatures.

Periodically, it may be necessary to cancel the USERID for an individual because of loss, theft, or a change in personnel. A USERID may be immediately canceled by **faxing** Form HUD – 27054 to the LOCCS-VRS Security Officer at 202-708-4350. **If you have any problems completing the Security Form HUD-27054, or do not receive your User ID or Password in a timely manner, please contact the LOCCS Security Officer at 202-708-0764 or TOLL FREE at 1-877-705-7540. The authorized individual will establish an initial password for the User ID. Subsequent passwords must be changed within 60 days from the last time a password is established. The password change is entered by the authorized user through the VRS system. Termination of access due to password expiration will require another resubmission of an original Form HUD-27054.**

Each Grantee user must have their LOCCS access recertified by their Approving Official. This insures that their work duties have not changed, or that the employee has not left the organization and no longer needs access to LOCCS. Failure of Approving Officials to recertify their staff will result in staff members having their LOCCS access suspended. HUD grantees must be recertified semi-annually through the VRS. Recertification can only be performed by the Approving Official and should not be designated to other staff personnel. If the approving official changes, please have the new Approving Official send a notarized letter on company letterhead, that must include the following: name and title of the new Approval Official, *social security number, daytime telephone number and address. List the existing users (NO SSN) so that the LOCCS Security Officer may change Approving Officials. Sign, Date and Notarize the new Approving Official's Signature and mail the notification to: U.S. Department of Housing and Urban Development, Office of the Chief Financial Officer, FYM, Attn: LOCCS Security Team, P.O. Box 23774, Washington, D.C. 20026-3774 or fax to 202-708-4350 (and then mail the ORIGINAL.) Upon receipt of your document, LOCCS Security will re-certify you and your staff. As the Approving Official, you will receive an official letter with semi-annual re-certification instructions within six months. You will not be notified until that time.

Please note that the Department is committed to ensuring that the privacy rights of all individuals are protected. The Department's Office of Special Needs Assistance Programs (SNAPS) is in the process of taking the necessary steps to eliminate the collections and use of SSNs for accessing LOCCS. Approving officials are not required to use their SSNs, and if you decline to do such then you should contact Ms. Nakia McMorris at (202)708-1234.

Based on the Regional assignment of the recipient's TIN, the grantee Approving Official will be required to recertify his/her staff's access on a semi-annual basis. A letter will automatically be generated by LOCCS and sent to the Approving Official to notify them of the need to recertify their staff's access privileges in LOCCS. Grantee users are recertified according to the following schedule:

New England & New York/New Jersey	-	in January & July
Mid-Atlantic & Southeast	-	in February & August
Mid-West & Southwest	-	in March & September
Great Plains & Rocky Mountain	-	in April & October
Pacific/Hawaii & Northwest/Alaska	-	in May & November

VRS recertification of HUD grantees is performed by the grantee Approving Official through a VRS interactive session. The grantee Approving Official will access LOCCS using their assigned User ID. All staff assignments may be recertified at one time, or specific users may be selected and terminated.

If you have any questions concerning the form, you may call the LOCCS Security Office toll free at 1-877-705-7504 or 202-708-0764.

HUD assigns a 10-digit VRS project number that is different from the regular project number that is indicated on your grant agreement. This is necessary because the telephone keypad cannot distinguish between all of the alphabetical and numerical characters in the regular project numbers. You will be notified by mail of your assigned VRS project number. **If you do not receive your 10-digit VRS project number, and are ready to perform your drawdown, please contact your program coordinator, and they may verbally provide the number to you.**

The grantee prepares the Shelter Plus Care Request Voucher for Grant Payment (HUD-27053-B). This is used for the SPC (Shelter Plus Care) Voice Response System payments. If you wish, you may photocopy blank voucher forms as needed. Instructions for the completion of the voucher are included on the reverse side of each voucher.

To request that HUD funds be transferred into your account, you may call toll free 1-877-705-7505. There are 64 lines available to receive incoming calls. The phone lines are available for grantee use between the hours of 8:00 a.m. and 6:00 p.m. Eastern time.

The caller will first enter his USERID and password, to verify that he or she is authorized to draw down SPC funds. Once the USERID and password have been validated, the caller is given a menu selection of the LOCCS program areas for which the caller is authorized. Choose the "SPC" program area for all SPC grants.

LOCCS will ask the caller for the three-digit program number; enter 030, as indicated on the voucher instructions. LOCCS will give the caller the remaining 6 digits of the voucher number.

The caller must write the entire voucher number on the voucher form and then reenter the entire 9-digit voucher number for verification. This procedure ensures that the voucher numbers are unique.

LOCCS will then prompt the caller to enter the type and number of units by bedroom and the type and number of units by tenants being assisted with this draw of funds. When entering efficiency or 0 bedroom, the block provided for SRO should be used. Tenants to be assisted are entered as Seriously Mentally Ill (SMI), Chronic Substance Abuse (CSA), Both Seriously Mentally Ill and Chronic Substance Abuse (SMI & CSA), Persons with AIDS (PWA), and Persons with Other Disabilities (PWOD).

After this portion has been completed, LOCCS will then prompt the caller to enter the first 4-digit line item number. LOCCS verifies that it is a valid number for the grant type and for the program area. The line item's name is spoken back to the caller; e.g., if the SPC line item "2000" is entered from a SPC voucher, LOCCS will speak, "ENTER THE AMOUNT OF TENANT BASED RENTAL ASSISTANCE FOLLOWED BY A POUND SIGN."

The caller will then enter the amount of funds to be drawn against the Line Item, followed by a pound (#) sign. Since LOCCS VRS does not know in advance the number of digits being entered, the caller is asked to enter a pound sign (#) as the last input to indicate they have completed entering digits.

For example, to request $28,569.00, the caller would enter:

2 - 8 - 5 - 6 - 9 - #

This process is repeated until the caller indicates that there are no more line items for the given voucher by entering "9999." LOCCS then summarizes the line item entries and their related dollar amounts and provides the caller with a voucher total amount for confirmation. The caller then has a final option to process or cancel the request.

The requested payment amount is checked against the grant's available balance in LOCCS to ensure that the request does not exceed the grant's authorized funding limits. LOCCS will not allow more than one draw per grant per day except for grantees drawing Sponsor Based Rental Assistance (SRA) funds.

LOCCS uses payment controls to ensure that payments are in accordance with SPC program guidelines. These controls are called threshold payment edits. Threshold edits on Budget Line Items (BLIs) are applied at drawdown.

LOCCS will create Treasury payment tapes that evening, to be sent to Treasury the next business day. If the request is consistent with all edits, then the payment is approved. Funds will be wired to the grantee's bank account within 48 business hours of approvable telephone requests.

VRS Queries for SPC

In addition to drawdown capability, LOCCS allows you to query the system for various information. The initial menu will give you this option at the start of each VRS call. The available query functions are as follows:

Grant Query: LOCCS will give current authorized, disbursed, and available balance totals for the selected grant, along with general grant status. A detailed breakdown by line item is available if the caller wishes.

Voucher Query: By entering a voucher number, the status of the voucher is given. This includes when the voucher was called in, by whom, and if the voucher has been paid, canceled, or is out for review. A detailed breakdown by line item is available if the caller wishes.

Last assigned VRS Grant Number: By specifying a Tax ID number, the last assigned VRS number for the selected program area is spoken. This is useful if the caller has not received the LOCCS generated letter with the assigned VRS number, but wishes to drawdown funds.

Change of Address

In the event of a change of address, you must complete the LOCCS Voice Response and System Access Authorization Form (HUD-27054), check item 7 (Change Address) and submit the form to your HUD Field Office. It is essential to the effective operation of the system that LOCCS-VRS has the correct mailing address of each grantee. It is also vital that the address is sufficiently specific to assure that all mailings will reach the proper representative of the grantee. Instructions are contained in Exhibit 4 of these instructions. This form may be obtained from the local HUD Field Office or downloaded online at http://www.hud.gov. Select the option *handbooks and forms HUD –2.*

Assistance for LOCCS VRS

If you have any questions regarding the LOCCS VRS, please contact your local Field Office.

Exhibit 1

How to Complete the SF-1199A

Direct Deposit Sign-up Form

Section 1 - to be completed by the grantee

Block A   Print or type the name and address of the organization that will receive the funds and the telephone number of the person completing the form.

Block B   Leave Blank

Block C   Print or type your project number, which is on the letter which notified you of funding. Print or type the Tax Identification Number of the organization below the project number.

Block D   Mark with an "X" the type of account into which your HUD funds will be directly deposited. You must choose either checking or savings.

Block E   Print or type the number of the account into which the funds will be deposited. If your financial institution does not use account numbers, up to 17 characters of the depositor's name or other identification may be entered. Dashes are acceptable as part of the number, but spaces are not acceptable. The depositor's account number must be formatted exactly as it appears in the financial institution's records

Block F   Check other and enter SPC.

Block G   Leave Blank

Payee/Joint Payee Certification: The Certification should be signed by the Chief Executive Officer or Designated Representative of the jurisdiction or organization. If additional signature lines are required, use a plain sheet of paper and attach it to the form. Be sure to place your name and project number on the sheet so that, if it becomes separated, we will know which project it is for.

Section 2 - to be completed by your local HUD Field Office

Section 3 - to be completed by your financial institution

SUGGESTED FORMAT - RENT REASONABLENESS CHECKLIST

Street Address or Unit Number:
City:
County:

Published FY 2008 Fair Market Rents for this type unit is $ _____ (*basis for award amount)
Unit Type _____ Mgt. & Maint. Serv_____
Number of Bedrooms ___ Does it meet HQS _____ Facilities _____
Square Feet ____ Amenities _____
Year Built ____ Comments_____

The following are rent comparable:

	Program Unit	Comparable #1	Comparable #2	Comparable #3
1. Address				
2. Square Feet				
3. Number of Bedrooms				
4. Location: Accessibility to Services: (List)				
5. Unit Type				
6. Quality - Meets Standard				
7. Amenities: (List)				
8. Facilities: (List)				
9. Date Built				
10. Mgt. And Maintenance Services				
11. Rent to Owner [Tennant Portion + Subsidy]				

In accordance with 24 CFR 582.305, I certify that based on information available to this office, the requested Rent / / is / / is not reasonable.

_____
Name of PHA

By: _____
    Signature   Title   Date

---

* The rent reasonable gross rent may exceed the FMR. However, caution should be used when exceeding the FY 2008 FMR which the grant award was based on.